

AMENDED IN ASSEMBLY APRIL 4, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 2239

Introduced by Assembly Member Emmerson

February 22, 2006

An act to amend Section ~~6248~~ of the Revenue and Taxation Code 4150 of the Vehicle Code, relating to ~~taxation~~ vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 2239, as amended, Emmerson. ~~Sales-Vehicles: sales and use taxes.~~

Under existing law, the Sales and Use Tax Law, a vehicle purchased outside the state that is brought into the state within 12 months of the purchase date is presumed to be acquired for storage, use, or other consumption in the state and is subject to use tax under specified circumstances. Existing law provides that this presumption may be rebutted by documentary evidence indicating that the vehicle was purchased for use outside the state during the first 12 months of ownership.

This bill would require the Department of Motor Vehicles to inform an applicant for vehicle registration in the application that the applicant may not be liable for the tax on a vehicle that was purchased for use outside the state during the first 12 months of ownership.

~~The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use or other consumption in this state of, tangible personal property.~~

~~This bill would make a technical, nonsubstantive change to that law.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 4150 of the Vehicle Code is amended to
2 read:
3 4150. Application for the original or renewal registration of a
4 vehicle of a type required to be registered under this code shall
5 be made by the owner to the department upon the appropriate
6 form furnished by it and shall contain all of the following:
7 (a) The true, full name, business or residence and mailing
8 address, and driver's license or identification card number, if
9 any, of the owner, and the true, full name and business or
10 residence or mailing address of the legal owner, if any.
11 (b) The name of the county in which the owner resides.
12 (c) A description of the vehicle, including the following data
13 insofar as they may exist:
14 (1) The make, model, and type of body.
15 (2) The vehicle identification number or any other identifying
16 number as may be required by the department.
17 (3) The date first sold by a manufacturer, remanufacturer, or
18 dealer to a consumer.
19 (d) *Information notifying the applicant that, for a vehicle*
20 *purchased outside the state and being brought into the state*
21 *within the first 12 months of the purchase date, the applicant may*
22 *not be liable for the tax on the vehicle pursuant to subdivision (b)*
23 *of Section 6248 of the Revenue and Taxation Code if there is*
24 *supporting documentary evidence demonstrating that the*
25 *applicant did not intend to bring the vehicle into the state at the*
26 *time of the purchase. The department shall direct the applicant to*
27 *contact the State Board of Equalization's office or the state*
28 *board's Internet Web site for further information.*
29 ~~(d)~~
30 (e) Any other information that is reasonably required by the
31 department to enable it to determine whether the vehicle is
32 lawfully entitled to registration.
33 ~~SECTION 1. Section 6248 of the Revenue and Taxation~~
34 ~~Code, as amended by Section 2 of Chapter 226 of the Statutes of~~
35 ~~2004, is amended to read:~~

1 ~~6248. (a) On and after the effective date of this section there~~
2 ~~shall be a rebuttable presumption that any vehicle, vessel, or~~
3 ~~aircraft bought outside of this state, and which is brought into~~
4 ~~California within 12 months from the date of its purchase, was~~
5 ~~acquired for storage, use, or other consumption in this state and is~~
6 ~~subject to use tax if any of the following occur:~~

7 ~~(1) The vehicle, vessel, or aircraft was purchased by a~~
8 ~~California resident as defined in Section 516 of the Vehicle~~
9 ~~Code.~~

10 ~~(2) In the case of a vehicle, the vehicle was subject to~~
11 ~~registration under Chapter 1 (commencing with Section 4000) of~~
12 ~~Division 3 of the Vehicle Code during the first 12 months of~~
13 ~~ownership.~~

14 ~~(3) In the case of a vessel or aircraft, that vessel or aircraft was~~
15 ~~subject to property tax in this state during the first 12 months of~~
16 ~~ownership.~~

17 ~~(4) The vehicle, vessel, or aircraft is used or stored in this state~~
18 ~~more than one-half of the time during the first 12 months of~~
19 ~~ownership.~~

20 ~~(b) This presumption may be controverted by documentary~~
21 ~~evidence that the vehicle, vessel, or aircraft was purchased for~~
22 ~~use outside of this state during the first 12 months of ownership.~~
23 ~~This evidence may include, but is not limited to, evidence of~~
24 ~~registration of that vehicle, vessel, or aircraft, with the proper~~
25 ~~authority, outside of this state.~~

26 ~~(c) This section does not apply to any vehicle, vessel, or~~
27 ~~aircraft used in interstate or foreign commerce pursuant to~~
28 ~~regulations prescribed by the board.~~

29 ~~(d) The amendments made to this section by the act adding~~
30 ~~this subdivision do not apply to any vehicle, vessel, or aircraft~~
31 ~~that is either purchased, or is the subject of a binding purchase~~
32 ~~contract that is entered into, on or before the operative date of~~
33 ~~this subdivision.~~

34 ~~(e) (1) Notwithstanding subdivision (a), aircraft or vessels~~
35 ~~brought into this state for the purpose of repair, retrofit, or~~
36 ~~modification shall not be deemed to be acquired for storage, use,~~
37 ~~or other consumption in this state.~~

38 ~~(2) This subdivision does not apply if, during the period~~
39 ~~following the time the aircraft or vessel is brought into this state~~
40 ~~and ending when the repair, retrofit, or modification of the~~

1 ~~aircraft or vessel is complete, more than 25 hours of airtime in~~
2 ~~the case of an airplane or 25 hours of sailing time in the case of a~~
3 ~~vessel are logged on the aircraft or vessel by the registered owner~~
4 ~~of that aircraft or vessel or by an authorized agent operating the~~
5 ~~aircraft or vessel on behalf of the registered owner of the aircraft~~
6 ~~or vessel. The calculation of airtime or sailing time logged on the~~
7 ~~aircraft or vessel does not include airtime or sailing time~~
8 ~~following the completion of the repair, retrofit, or modification of~~
9 ~~the aircraft or vessel that is logged for the sole purpose of~~
10 ~~returning or delivering the aircraft or vessel to a point outside of~~
11 ~~this state.~~

12 ~~(3) This subdivision applies to aircraft or vessels brought into~~
13 ~~this state for the purpose of repair, retrofit, or modification on or~~
14 ~~after the operative date of this subdivision.~~

15 ~~(f) The amendments made by Section 2 of Chapter 226 of the~~
16 ~~Statutes of 2004 adding this subdivision shall become operative~~
17 ~~on October 1, 2004.~~

18 ~~(g) The Legislative Analyst's office shall conduct a study of~~
19 ~~the economic impacts of the amendments made to this section by~~
20 ~~the act adding this subdivision, and shall report its findings to the~~
21 ~~Legislature on or before June 30, 2006.~~

22 ~~(h) This section shall remain in effect only until July 1, 2006,~~
23 ~~and as of that date is repealed.~~